

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TELNET COMMUNICATIONS, INC.

FAILURE TO COMPLY WITH KRS 278.140 AND
KRS 278.230(3)

)
)
) CASE NO. 95-512
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)

O R D E R

On November 21, 1995, the Commission ordered TELNET Communications, Inc. ("TELNET Communications"), to appear before it on December 18, 1995 for the purpose of showing cause why it should not be subject to the penalties of KRS 278.990 for its failure to comply with KRS 278.140 and KRS 278.230(3). A copy of the Commission's Order of November 21, 1995 is attached as Exhibit A.

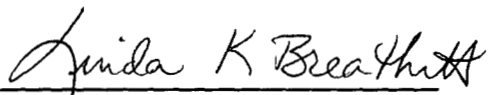
At the time of the scheduled hearing, the Commission learned that TELNET Communications had not been served with a copy of the Commission's Order of November 21, 1995. It, therefore, did not call the matter for hearing.


To ensure that TELNET Communications has adequate notice of these proceedings and has a full opportunity to defend against the allegations of improper conduct, the Commission finds that a new hearing in this matter should be held. The Commission further finds that, based upon the evidence which Commission Staff has filed in this matter, TELNET should also show cause why the Commission should not declare it an abandoned utility and revoke its filed rate schedules.

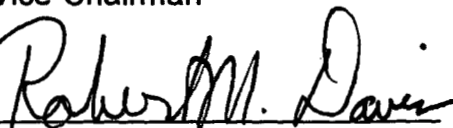
IT IS THEREFORE ORDERED that TELNET Communications shall appear on July 9, 1996, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky for the purpose of showing cause, if any it can, why it should not be subjected to the penalties of KRS 278.990 for its failure to comply with KRS 278.140 and KRS 278.230(3), and why the Commission should not declare it an abandoned utility and revoke its filed rate schedules.

Done at Frankfort, Kentucky, this 3rd day of June, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

EXHIBIT A

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

NOV 21 1995

In the Matter of:

GENERAL COUNSEL

TELNET COMMUNICATIONS, INC.

FAILURE TO COMPLY WITH KRS 278.140 AND
KRS 278.230(3)

CASE NO. 95-512

O R D E R

TELNET Communications, Inc. ("TELNET"), owns, controls, operates, or manages facilities used for and in connection with the transmission or conveyance of messages by telephone for the public for compensation. It is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(e).

KRS 278.140 requires every utility, on or before March 31 of each year, to file with the Commission a report of its gross earnings or receipts derived from intrastate business for the preceding calendar year.

KRS 278.230(3) requires every utility to file with the Commission any report or other information that the Commission reasonably directs. Commission Regulation 807 KAR 5:006, Section 3(1), requires every utility to file with the Commission on or before March 31 of each year a financial and statistical report of its utility operations for the preceding calendar year on forms furnished by the Commission.

KRS 278.990(1) states that any utility which willfully violates any provision of KRS Chapter 278 or Commission regulation shall be subject to a civil penalty not less than twenty-five

dollars (\$25.00) nor more than two thousand five hundred dollars (\$2,500).

On January 3, 1995, the Commission provided to TELNET the standard forms for the annual financial and statistical report and the report of gross earnings from intrastate business. According to Commission records, TELNET has yet to file these reports for the 1994 calendar year with the Commission. The absence of these reports from Commission records constitutes prima facie evidence that TELNET has willfully failed to comply with KRS 278.140 and 278.230(3).

IT IS THEREFORE ORDERED that:

1. TELNET shall file with the Commission, no later than December 15, 1995, its financial and statistical report and its report of gross earnings from intrastate business for the 1994 calendar year.

2. TELNET shall appear on December 18, 1995, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of showing cause, if any it can, why it should not be subject to the penalties of KRS 278.990 for its failure to comply with KRS 278.140 and 278.230(3).

3. If TELNET desires to waive its right to a hearing in this matter, it shall, no later than December 15, 1995, file the required reports and pay a penalty of \$250. Payment of the penalty shall be made by certified check or money order made payable to Treasurer, Commonwealth of Kentucky, and shall be delivered to

Office of General Counsel, Public Service Commission, 730 Schenkel
Lane, P.O. Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 20th day of November, 1995.

By the Commission

ATTEST:


Executive Director